

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF LEWIS COUNTY, WASHINGTON**

IN RE:

AUTHORIZING AN INTERLOCAL AGREEMENT)
BETWEEN LEWIS COUNTY AND THE STATE)
DEPARTMENT OF COMMUNITY, TRADE, AND)
ECONOMIC DEVELOPMENT FOR GRANT)
FUNDING FOR PLANNING PURPOSES)

RESOLUTION No. 07-098

WHEREAS, an interlocal agreement (contract no. 06-64006-041) has been prepared between Lewis County and the State Department of Community, Trade and Economic Development for the purpose of grant funding for planning purposes under the Growth Management Act; and

WHEREAS, the Board of Lewis County Commissioners has had an opportunity to review the interlocal agreement, attached as Exhibit A; and

WHEREAS, it appears to be in the best public interest to authorize this interlocal agreement with the Department of Community, Trade and Economic Development,
NOW THEREFORE

BE IT RESOLVED that this interlocal agreement (contract no. 06-64006-041) between Lewis County and the Department of Community, Trade and Economic Development is hereby approved and the Director of Community Development is authorized to sign the contract on behalf of Lewis County.

DONE IN OPEN SESSION this ²⁶19th day of March, 2007.

APPROVED AS TO FORM:

Michael Golden, Prosecuting Attorney

Deputy Prosecuting Attorney

ATTEST:

Karri Muir
Clerk of the Board



BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON

Chairman

Member

Member

Washington State Department of Community Trade and Economic Development

Community Development Block Grant Program

CONTRACT FACE SHEET

1. GRANTEE NAME/ADDRESS: Lewis County 351 NW North Street Chehalis, WA 98532		2. CONTRACT NUMBER: 06-64006-041		3. CONTRACT AMOUNT: \$24,000	
4. GRANTEE CONTACT PERSON, NAME/TITLE, PHONE: Barbara Kincaid, Associate Planner (360) 740-1389		5. CDBG STAFF CONTACT, NAME/TELEPHONE: Kaaren Roe (360) 725-3018			
6. DATE APPLICATION SUBMITTED: 11/20/2006		7. CONTRACT START DATE: Upon Final Signature		8. CONTRACT END DATE: 05/31/2008	
9. FUNDING AUTHORITY: Washington State Department of Community, Trade and Economic Development (hereinafter known as the "Department"), and U. S. Department of Housing and Urban Development (HUD).					
10. STATE AND FEDERAL "BARS" CODE: 333.14.228		11. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA): 14.228			
12. SERVICE AREA: (BY LEGISLATIVE DISTRICT): 20 (BY CONGRESSIONAL DISTRICT): 3		13. SERVICE AREA (BY COUNTIES): Lewis		14. NUMBER OF PAGES IN CONTRACT DOCUMENT: 23	
15. TIN: 91-6001351		16. SUBRECIPIENT OR PARTICIPATING ENTITIES: N/A			
17. PURPOSE FOR AWARDED FUNDS: <p>Lewis County is awarded a \$24,000 CDBG Planning-Only Grant to develop the county's Strategic Plan for Homelessness and update the county's Comprehensive Plan Housing Element. This planning activity is projected to benefit low- and moderate-income (LMI) persons under the limited clientele national objective by gathering information on housing needs and developing strategies to address homelessness in Lewis County. Based on 2000 census data, 41.7 percent of the county, or 28,000 meet the LMI criteria. The county and its Planning Commission are contributing in-kind work valued at over \$40,000 and also at least \$8,000 for related consultant services.</p>					
<p>IN WITNESS WHEREOF, the Department and Grantee acknowledge and accept the terms of this contract and attachments hereto and have executed this contract as of the date and year written below. The rights and obligations of both parties to this contract are governed by this Contract Face Sheet, Contract, Attachment I: Project Summary, and Attachment II: State and Federal Requirements and Assurances, Attachment III: Letter to Incur Costs (if applicable), Attachment IV: Additional Conditions and Agreement for Interim Financing/CDBG Float-Funded Activity if applicable, and Attachment V: Assignment of Rights, Title, and Interest (if applicable), and the following documents incorporated herein by reference: Grantee's Application for funding and the Community Development Block Grant Policies and Procedures, prepared by the Department.</p>					
SIGNATURE FOR THE DEPARTMENT: Nancy K. Ousley, Assistant Director Local Government Division DATE: _____			SIGNATURE FOR THE GRANTEE: Mr. Robert Johnson Community Development Director DATE: _____		
APPROVED AS TO FORM ONLY: Alice Blado, Assistant Attorney General (Signature on file) December 22, 2005 DATE: _____					

**Department Of Community, Trade and Economic Development
Community Development Block Grant Program**

PART 1: PREAMBLE

This contract agreement is made and entered into by and between the DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT, (the Department), a department of the State of Washington and the GRANTEE. The Department and the Grantee WITNESS THAT:

The Department has received funds from the U.S. Department of Housing and Urban Development under the authority of Title I of the Housing and Community Development Act of 1974, as amended, 92 US Code 5301, with which to implement the State of Washington's Community Development Block Grant Program (CDBG) Consolidated Plan. The program Plan describes the state's objectives for use and distribution of the Washington State CDBG Program funds. The state's grant is subject to the regulations of the Department of Housing and Urban Development, 24 CFR Part 570, Subpart I. The state's grant and funds distributed through the program to local governments of the State of Washington, are also subject to the specific legislation, regulations and policies applicable to the federal program entitled the Community Development Block Grant Program. These laws, regulations and policies are cited and described in the contract under ATTACHMENT II: STATE AND FEDERAL REQUIREMENTS AND ASSURANCES.

PART 2: PURPOSE OF THE CONTRACT

The Department and the Grantee have entered into this contract to undertake a local project that furthers the goals and objectives of the Washington State Consolidated Plan. The project will be undertaken by the Grantee and will include the activities described in ATTACHMENT I: PROJECT SUMMARY which, by this reference, is hereby incorporated into this contract, and in the application submitted to the Department by the Grantee and upon which this contract is based. Project activities will be performed to the satisfaction of the Department and will be undertaken in accordance with the terms, conditions, performances, covenants and provisions contained in the contract under PART 3: TERMS AND CONDITIONS, PART 4: GRANTEE CERTIFICATIONS, PART 5: ENVIRONMENTAL REVIEW, PART 6: HISTORICAL AND CULTURAL ARTIFACTS, PART 7: ENTIRE AGREEMENT, ATTACHMENT I: PROJECT SUMMARY, ATTACHMENT II: STATE AND FEDERAL REQUIREMENTS AND ASSURANCES, ATTACHMENT III: LETTER TO INCUR COSTS (if applicable), ATTACHMENT IV: ADDITIONAL CONDITIONS AND AGREEMENT FOR INTERIM FINANCING/CDBG FLOAT-FUNDED ACTIVITIES (if applicable), and ATTACHMENT V: ASSIGNMENT OF RIGHTS, TITLE, AND INTEREST (if applicable).

PART 3: TERMS AND CONDITIONS

In consideration of the covenants, conditions, performances and provisions hereinafter contained, the parties hereto agree as follows:

3.01 Payment

The Department shall issue warrants or electronic transfer payments to the Grantee for payment of allowable expenses incurred by the Grantee while undertaking and administering approved project activities in accordance with ATTACHMENT I: PROJECT SUMMARY. "Approved project activities" shall mean those activities which the Grantee has accepted as meeting state and federal guidelines for the project. Payment or reimbursement of allowable expenses shall not be construed as acceptance of the project work nor does payment or reimbursement of allowable expenses create an agency relationship between the Department and the Grantee.

To request payment of expenses, the Grantee must identify the requested amounts by the line item categories that correspond to the line-item categories in the approved ATTACHMENT I: PROJECT SUMMARY, submit back up documentation and actual invoices representing allowable expenses that can be paid as soon as administratively feasible, and must be submitted to the Department on a Washington State Invoice Voucher form. The voucher must also report all federal funds on hand as of the date of the voucher. Any cash on hand must be subtracted from the amount of funds requested to meet cash-flow needs.

3.01 Continued...

Similarly, any program income earned during the reporting period must be deducted from the amount estimated to meet cash-flow needs. Vouchers shall be mailed to the Department of Community, Trade and Economic Development, Local Government Division, 906 Columbia Street SW, P.O. Box 42525, Olympia, Washington 98504-2525, Attention: **Kaaren Roe, CDBG Project Manager**. The Department must review and approve the vouchers before issuing payment to the Grantee.

In no event shall the total amount of Washington State CDBG funds paid by the Department to the Grantee for allowable expenses incurred hereunder exceed the amount listed on the Contract Face Sheet, exclusive of any program income or contract amendments. The Grantee must submit the required closeout performance report with the request for final payment. The Department has the right to withhold payment, pending completion and receipt of CDBG required documentation.

3.02 Time of Performance

Activities payable under this contract and to be performed by the Grantee under this contract shall commence on the date, Contract Start Date, and shall terminate upon the later of completion of the project described herein, or by the Contract End Date. Final closure of the contract will occur upon the Department's receipt, review and acceptance of the CDBG Grantee Closeout Performance Report and a complete municipal audit report covering the applicable contract years. This period shall be referred to herein as the "contract period," unless expressly stated otherwise. Costs incurred during the contract period shall be deemed costs incurred after the effective date thereof, unless the contract is otherwise conditioned, or the Grantee is expressly authorized in writing by the Department to incur costs prior to execution of the contract.

3.03 Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Washington CDBG Program and to execute the project described in this contract by signing the contract document. The Grantee's relation to the Department and the State of Washington shall be at all times as an independent contractor.

3.04 Waivers

No conditions or provisions of this contract can be waived unless approved by the Department in writing. The Department's failure to insist upon strict performance of any provision of the contract, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this contract.

3.05 Nonassignability

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the Grantee.

3.06 Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles and complies with 24 CFR Part 85, Subpart C, "Post Award Requirements;" 24 CFR Part 570.489(e) "Program Income;" and the requirements and standards of OMB Circular A-87 "Cost Principles for State and Local Governments", which form the basis of the Washington State CDBG Program's financial management requirements.

3.07 Program Income

Program income will be used first by the Grantee before drawing additional funds to complete activities included in the Project Summary and referenced application. Unanticipated program income shall be used to increase the overall project budget. Program income will be reported regularly, as requested by the Department. Program income received after closeout of this contract shall be used to continue the same activities to benefit low- and moderate-income persons, as described in the closeout performance report. Records on program

3.07 Continued ...

income received and expended must be maintained. Program income must be reported annually, after closeout of the grant if the total amount of program income received in a single year equals or exceeds \$25,000.

Interest earned on federal (CDBG) funds or state funds in excess of \$100 shall not be retained by the Grantee. The Grantee must remit such interest in the case of federal funds to the Department so that it can be returned to the U.S. Treasury.

3.08 Amendments and Modifications

The Grantee or the Department may request an amendment or modification of this contract. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

3.09 Record Keeping

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the contract.

All such records, and all other records pertinent to the grant and work undertaken as part of the project, shall be retained by the Grantee for a period of six years after the final audit of the program, unless otherwise required by the laws and regulations included in the contract under ATTACHMENT II: STATE AND FEDERAL REQUIREMENTS AND ASSURANCES. If any claim, litigation, or audit is started before expiration of the six-year period, the records must be retained until all litigation, claims or audit findings involving the records have been resolved.

3.10 Access to Records

The Department and duly authorized officials of the state and the federal government shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this contract.

3.11 Reports

The Grantee, at such times and in such forms as the Department may require, shall furnish periodic reports pertaining to the activities undertaken pursuant to this contract. These reports may include: regular program income reports, periodic Applicant/Recipient Disclosure Reports, one Equal Employment Opportunity (EEO) Report, the final closeout report, the costs and obligations incurred in connection therewith, and any other matters covered by this contract.

3.12 Acquisition and Disposition of Property and Equipment

The Grantee agrees to comply with the requirements of 24 CFR Part 85.36 "Procurement," or such other requirements as the Department may prescribe in the acquisition of property and equipment. The Grantee will also account for any tangible personal property acquired with grant funds in accordance with 24 CFR Part 85.36(3)(i).

Proceeds from the disposition of real property acquired with grant funds derived after contract closeout shall be treated as program income under Section 3.07 of this contract.

3.13 Obligations Regarding Third-Party Relationships

None of the work specified in this contract shall be subcontracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or State of Washington and the subcontractor, any contract or any other relationship. The Grantee shall remain fully obligated under the provisions of this contract agreement notwithstanding its designation of any third party or parties of the

3.13 Continued...

undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall comply with all lawful requirements of the Grantee necessary to ensure that the project is carried out in accordance with the provisions of this contract agreement.

The Grantee shall bind all subcontractors to each and every applicable contract provision including a provision that the Department and the State of Washington are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

Additionally, the grantee will ensure that any subcontractors and/or subrecipients comply with OMB Circular A-110, Uniform Administration Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations, and OMB Circular A-122, Cost Principles for Non-Profit Organizations (if applicable).

3.14 Conflict of Interest

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this contract agreement.

The Grantee shall include this provision in any subcontracts for work to be performed under this contract.

3.15 Nondiscrimination

During the performance of this contract the Grantee shall comply with all nondiscrimination laws, including, but not limited to chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA). In the event of the Grantee's noncompliance or refusal to comply with any non-discrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the Grantee may be declared ineligible for further contracts with the Department. The Grantee shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with Section 3.23 dispute procedures set forth herein.

3.16 Political Activity

No portion of the funds provided under this contract shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

3.17 Notices

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

3.18 Prohibition Against Payment of Bonus or Commission

The assistance provided under this contract shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such assistance or any other approval or concurrence under this contract provided, however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

3.19 Termination by Mutual Agreement

This contract may be terminated, in whole or in part, when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding new

3.19 Continued...

obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

3.20 Termination of Contract

- A. If, through any cause, the Grantee shall fail to fulfill in a timely and proper manner its obligations under this contract or if the Grantee shall violate any of its covenants, agreements, or stipulations, the Department shall have the right to terminate this contract and withhold the balance of state funding if such default or violation is not corrected within twenty (20) days after the Department submits written notice to the Grantee describing such default or violation.
- B. Notwithstanding any provisions of this contract, either party may terminate this contract by providing written notice of such termination, specifying the effective date thereof, at least thirty (30) days prior to such date.
- C. Reimbursement for Grantee work performed, and not otherwise paid for by the Department prior to the effective date of such terminations, shall be as the Department reasonably determines.

3.21 Withdrawal of Funds

The Department may unilaterally terminate all or part of this contract, or may reduce its scope of work and budget, if there is a reduction in funds by the source of those funds, and if such funds are the basis for this contract.

3.22 Recovery of Funds

In the event of a default or violation of the terms of the contract by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of contract funds under this recovery provision shall occur within 30 days of demand.

3.23 Disputes

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by contract shall be decided by the Department, which shall reduce its decision to writing and shall furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in this contract shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

3.24 Jurisdiction

This contract shall be governed by the law and statutes of the State of Washington. The venue of any action hereunder shall be in the Superior Court for Thurston County, Washington.

3.25 Indemnification

It is understood and agreed that this contract is solely for the benefit of the parties to the contract and gives no right to any other party. No joint venture or partnership is formed as a result of this contract.

The Grantee, its successors or assigns, will protect, save and hold harmless the Department and the State of Washington and their authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licensees, invitees, employees or any person whomsoever arising out of or in connection with acts or activities authorized by this contract. The Grantee further agrees to defend the Department and the State of Washington and their authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or action commenced thereon arising out of or in connection with acts or activities authorized by this contract.

3.25 Continued...

This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the Department or the State of Washington or their authorized agents or employees: Provided, that if the claims or damages are caused by or result from the concurrent negligence of (1) the Department and the State of Washington and their agents or employees, and (2) the Grantee, its agents, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee's agents or employees.

3.26 Ownership of Project/Capital Facilities

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this contract, and by this grant of funds does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Washington harmless from any and all causes of action arising from the ownership and operation of the project.

3.27 Severability

If any provision under this contract agreement or its application to any person or circumstances is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

3.28 Performance

The Department's failure to insist upon the strict performance of any provision of this contract or to exercise any right based upon breach thereof or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this contract.

3.29 Audit

Audits of the grant will be conducted by the Municipal Division of the State Auditor's Office in accordance with any guidelines the Department may prescribe. The Grantee is responsible for submitting a copy of the audit to the Department within 30 days of the Grantee's receipt of the audit report from the State Auditor's Office. Payment for the audit shall be made by the Grantee. An explanation of any questioned costs must be sent to the Department by the Grantee within 30 days of the Grantee's receipt of the audit report.

The Department reserves the right to recover from the Grantee disallowed costs identified in the final audit. The recovery provision set forth in Section 3.22 Recovery of Funds shall be applicable to this section as well.

The grantee is required to report to the department any other expenditure(s) of federal funds in order to assure compliance with the federal single audit act.

3.30 Insurance

The Grantee shall cause its subcontractors to secure a Commercial General Liability policy with a limit of \$1 million per occurrence and \$2 million aggregate or proof of adequate self-insurance with the same limits. Adequacy of self-insurance is subject to approval of the department.

The Grantee shall provide that cancellation or lapse of the required insurance prior to subcontract completion shall be a material breach of the subcontract and cause for subcontract termination. The Grantee shall require the subcontractor to provide it with a 30-day notice of cancellation issued by the insurance company or self-insurance program.

3.31 Subcontracts for Engineering Services

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the state of Washington and that the firm is in full compliance with the requirements of the Board of Professional Registration.

3.31 Continued...

The Grantee shall require that professional services providers such as engineering and architectural firms be covered by errors and omissions insurance in an amount not less than the amount of the firm's subcontract. If the firm is unable to obtain errors and omissions insurance, the firm shall post a bond with the Grantee for the benefit of the Grantee for not less than the amount of its subcontract. Such insurance or bond shall remain in effect for the entire term of the subcontract. The subcontract shall provide that cancellation or lapse of the bond or insurance during the term of the subcontract shall constitute a material breach of the subcontract and cause for subcontract termination. The Grantee shall cause the subcontractor to provide it with a 30-day notice of cancellation issued by the insurance company.

In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire CDBG project.

3.32 Closeout

The Department will advise the Grantee to initiate closeout procedures when the Department determines, in consultation with the Grantee, that there are no impediments to closeout and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of closeout costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The final Grantee Closeout Performance Report has been submitted after conducting a final public hearing to review program performance. The Grantee's failure to submit a report will not preclude the Department from effecting closeout if it is deemed to be in the state's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this contract agreement and any closeout agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further state interest in keeping the grant open for the purpose of securing performance.

PART 4: GRANTEE CERTIFICATIONS

By executing this contract, the Grantee certifies that:

- 4.01 It will minimize displacement as a result of activities assisted with CDBG funds; and is following a Residential Anti-displacement and Relocation Assistance Plan;
- 4.02 It will conduct and administer its program in conformance with Title VI, of the Civil Rights Act of 1964 and the Federal Fair Housing Act, of the Civil Rights Act of 1968 and affirmatively further fair housing;
- 4.03 It will provide opportunities for citizen participation comparable to the state's requirements (those described in Section 104(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended in 1992);
- 4.04 It will not use assessments or fees to recover the capital costs of CDBG-funded public improvements from low- and moderate-income owner-occupants; and
- 4.05 It has adopted and is enforcing a policy of prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
- 4.06 It will ensure:
 - A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection

4.06 Continued...

- with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The above provisions will be met if the grant award from the Department exceeds \$100,000 and will further ensure that their provisions are included in any sub grant, contract, and subcontracts exceeding \$100,000 of grant funds.

4.07 Certification regarding debarment, suspension, or ineligibility (24 CFR, Part 24)

- A. Neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by any Federal department or agency.
- B. If the Grantee is unable to certify to any of the statements in this certification, the Grantee shall attach an explanation to this contract document.

PART 5: ENVIRONMENTAL REVIEW

5.01 Environmental Review and Request for Release of Funds for General Purpose, Community Investment Fund, and Housing Enhancement Grants

For General Purpose, Community Investment Fund, and Housing Enhancement Grants only, funding in excess of the amount stipulated in ATTACHMENT III: LETTER TO INCUR COSTS, shall not be released to a General Purpose, Community Investment Fund or Housing Enhancement Grantee by the Department until the following condition is met:

- A. The Grantee must prepare an environmental assessment of the project and make a finding of environmental impact. A notice of this finding must be published along with a notice of the Grantee's intent to request release of funds for the project unless the project is exempt from the publication requirements as described. The Grantee must allow a seven (7) or fifteen (15) day period for public review and comment following publication of the notices unless exempt under the National Environmental Policy Act and the State Environmental Policy Act. When this review and comment period expires, the Grantee may, after considering any comments received, submit a request for release of funds to the Department. Upon receipt of the request, the Department must allow a fifteen (15) day period for public review and comment. When the Department's public review and comment period expires, the Department may, after considering any comments received, formally notify the Grantee in writing of the release of federal funds for the project.
- B. This special condition is satisfied when the Grantee completes the environmental review and request for release of funds from the Department. The special condition is effectively removed on the date the Department provides the Grantee with written notice of release of funds.

5.02 Environmental Review and Assessment Process Exemption for Imminent Threat Grants

Funding shall not be released to an Imminent Threat Grantee until the following condition is met:

The Grantee assures that assisted activities are for temporary or permanent improvements limited to the protection, repair or arrest of imminent threats to public health and safety or physical deterioration. The Grantee further assures that assisted activities will result in either no change or minimal change in the environmental conditions that existed prior to the emergency. In addition, the Grantee assures it will document, in writing, its

5.02 Continued...

determination that each activity or project is exempt and meets the conditions specified for such exemption under Section 58.34 of 24 CFR, Environmental Review Procedures for Title I CDBG Programs. In cases where Grantees must take action immediately, or within a time too short to allow full compliance with SEPA, to avoid an imminent threat to public health or safety, to prevent an imminent danger to public or private property, or to prevent an immediate threat of serious environmental degradation, such actions are exempt from SEPA pursuant to WAC 197-11-880.

5.03 Environmental Review and Exemption Assessment Process for Planning-Only and Public Service Grants

Funding shall not be released to a Planning-Only (POG) or Public Service (PS) Grant recipient until the following conditions are met:

The Grantee assures that assisted activities are exempt under the National Environmental Policy Act (24 CFR 58.32) and categorically exempt under the Washington State Environmental Policy Act (RCW 43.21C.110). The Grantee further assures that the activities do not come under the purview of any other federal, state, and known local environmental laws, statutes, regulations or executive orders. In addition, the Grantee assures it will document, in writing, its determination that each activity or project is exempt and meets the conditions specified for such exemption under (NEPA) 24 CFR Part 58.34.3 (for POG) or Part 58.34.9 (for PS) and (SEPA) WAC 197-11-800 (for POG) or WAC 197-11-305 (for PS).

5.04 Environmental Review and Request for Release of Funds for Float-Funded Activity Grants

Funding shall not be released to a Float-Funded Activity Grant until the following conditions are met:

- A. If the Grantee completed a CDBG environmental review for the project under a previous CDBG General Purpose or Community Investment Fund grant, and has written notification from the Department of the release of federal funds under that grant, the Grantee must provide a Letter of Continuation notifying the Department that the environmental review requirements have been met. The Letter of Continuation must reference the General Purpose or Community Investment Fund grant under which CDBG environmental review requirements were met. It must also confirm that the project scope has not changed and that no additional environmental review activities are required.
- B. If the Grantee has not completed a CDBG environmental review for the project under a previous grant, it must meet the same conditions required for General Purpose or Community Investment Fund Grants under paragraphs 5.01 (A) and (B).

PART 6: HISTORICAL AND CULTURAL ARTIFACTS

The Grantee agrees that if historical or cultural artifacts are discovered during construction, the Grantee shall immediately stop construction and notify the local historical preservation officer and the state's historical preservation officer at the Washington State Office of Archeology and Historic Preservation.

This agreement consisting of 23 pages, contains all terms and conditions agreed to by the Department and the Grantee. The attachments to this agreement are identified as follows:

- ATTACHMENT I: PROJECT SUMMARY**, consisting of **Section A: Project Description**; **Section B: Goals/Expected Results/Products**; and, **Section C: Project Schedule and Budget**
- ATTACHMENT II: STATE AND FEDERAL REQUIREMENTS AND ASSURANCES**
- ATTACHMENT III: LETTER TO INCUR COSTS** (if applicable)
- ATTACHMENT IV: ADDITIONAL CONDITIONS AND AGREEMENT FOR INTERIM FINANCING/CDBG FLOAT-FUNDED ACTIVITIES** (if applicable)
- ATTACHMENT V: ASSIGNMENT OF RIGHTS, TITLE, AND INTEREST** (if applicable)

Attachment I – 2006 Project Summary
Grantee: Lewis County
Contract No. 06-64006-041

Section A: Brief Description

Lewis County is awarded a \$24,000 CDBG Planning-Only Grant to develop the county's Strategic Plan for Homelessness and update the county's Comprehensive Plan Housing Element. This planning activity is projected to benefit low- and moderate-income (LMI) persons under the limited clientele national objective by gathering information on housing needs and developing strategies to address homelessness in Lewis County. Based on 2000 census data, 41.7 percent of the county, or 28,000 meet the LMI criteria. The county and its Planning Commission are contributing in-kind work valued at over \$40,000 and also at least \$8,000 for related consultant services.

Section B: Goals/Expected Results/Products

Budget Category	Line Item	Goals/Expected Results/Products
21A. General Admin.	21A. General Admin.	<ul style="list-style-type: none"> ▪ Satisfy all requirements for the proper handling and distribution of CDBG funds targeted to this project. ▪ Establish and maintain administrative point of contact and program administration procedures, record keeping and financial management systems in accordance with federal and state CDBG requirements. ▪ Compile, complete, and submit all necessary CDBG reports, as requested.
20 Planning	20 Planning	<ul style="list-style-type: none"> ▪ Ensure compliance with all state and federal regulations and procedures. ▪ Gather and analyze information on housing needs and conditions in Lewis County. ▪ Develop strategies to address homelessness in Lewis County. ▪ Develop the county's Strategic Plan for Homelessness and update the county's Comprehensive Plan Housing Element.

Attachment I – 2006 Project Summary
Grantee: Lewis County
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Section C. Project Schedule and Budget

Budget Category	Line Item	Project Activities	Schedule	Budget Amount
21A. General Admin.	21A. General Admin.	<ul style="list-style-type: none"> Execute contract with CTED. Establish and maintain administrative, financial, reporting, and record keeping systems. Complete applicable civil rights requirements. Submit a CDBG Grantee Closeout Performance Report. 	<p>3/07</p> <p>Ongoing</p> <p>8/07</p> <p>5/08</p>	\$0
20 Planning	20 Planning	<ul style="list-style-type: none"> Procure consultant for demographic services; verify eligibility with CTED and contract for services. Complete documentation of the NEPA/SEPA environmental exemption. Scope community data needs. Collect and analyze demographic data. Review planning progress with advisory groups, Planning Commission and county officials. Prepare and submit payment requests. Monitor program progress and compliance with applicable federal and state regulations. Develop draft Comprehensive Plan and Housing Element update. Develop draft Strategic Plan for Homelessness. 	<p>2/07</p> <p>2/07</p> <p>3/07</p> <p>4-5/07</p> <p>Ongoing</p> <p>Ongoing</p> <p>7-9/07</p> <p>10-11/07</p>	\$24,000

Attachment I – 2006 Project Summary
Grantee: Lewis County
Contract No. 06-64006-041

Section C: Project Schedule and Budget (continued)

Budget Category	Line Item	Project Activities	Schedule	Budget Amount
Continued...	Continued...	<ul style="list-style-type: none"> ▪ Review draft Plans with public, advisory groups, Planning Commission and county officials. ▪ Conduct CDBG-required public hearing to assess project performance. ▪ Finalize Plans. ▪ Resolve all monitoring issues. ▪ Request final 5 percent of CDBG funds. ▪ Arrange for an audit. ▪ Adopt Comprehensive Plan update. ▪ Close CDBG Contract. 	<p>11/07</p> <p>12/07</p> <p>1-2/08</p> <p>3/08</p> <p>4/08</p> <p>4/08</p> <p>5/08</p> <p>5/08</p>	Continued...

TOTAL: \$24,000

Section D: Final Product

- Comprehensive Plan Housing Element for Lewis County.
- Lewis County Strategic Plan for Homelessness.

ATTACHMENT II: STATE AND FEDERAL REQUIREMENTS AND ASSURANCES

The Grantee assures compliance with the following laws, regulations and requirements as they pertain to the design, implementation and administration of the approved local project.

AII.01 Public Law 88-352, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.)
(24 CFR Part 1)

The Grantee must comply with the provisions of "Public Law 88-352," which refers to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.). The law provides that no person in the United States shall, on the grounds of race, color or national origin, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity receiving federal financial assistance.

AII.02 Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.),
commonly referred to as the Federal Fair Housing Act, as amended by the Fair
Housing Amendments Act of 1988 (P.L. 100-430)

The Grantee shall comply with the provisions of the Federal Fair Housing Act. The law states that it is the policy of the United States to provide, within constitutional limitation, for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing or the provisions of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, familial status, national origin or handicap. The Grantee must also administer programs and activities relating to housing and urban development in a manner that affirmatively promotes fair housing and furthers the purposes of the Federal Fair Housing Act, as amended.

AII.03 Executive Order 11063, As Amended by Executive Order 12259 (24 CFR Part 107)

The Grantee must comply with the provisions of Executive Order 11063, as amended by Executive Order 12259, which directs the Grantee to take all action necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex or national origin; in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use or occupancy thereof if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants or contributions from the federal government.

AII.04 Section 109 of the Housing and Community Development Act of 1974, As Amended
through 1992

The Grantee must comply with the provisions of Section 109 of the Housing and Community Development Act of 1974, as amended through 1992, which require that no person in the United States shall on the grounds of race, religion, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with federal Community Development funds made available pursuant to Title I of the Act.

AII.05 Section 104 (b) 4 of the Housing and Community Development Act of 1974, As
Amended through 1992

The Grantee must comply with the provisions of Section 104 (b) 4 of the Housing and Community Development Act of 1974, as amended through 1992, which requires that the Grantee will identify its community development and housing needs, including the needs of low- and moderate-income persons and the activities to be undertaken to meet such needs.

All.12**Executive Order 11246, As Amended by Executive Order 11375**

The Grantee must comply with Executive Order 11246, as amended, which applies to all federally assisted construction contracts and subcontracts. The Grantee and subcontractors, if any, shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Grantee and subcontractors, if any, shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

The Grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. For contracts over \$10,000 the Grantee and subcontractors will send to each applicable labor union a notice of the above requirements, the Grantee and subcontractors, if any, will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The Grantee or subcontractor will make their books and records available to state and federal officials for purposes of investigation to ascertain compliance.

All.13**Davis-Bacon Act, As Amended (40 U.S.C. 276a)**

The Grantee shall comply with the provisions of the Davis-Bacon Act, as amended. This Act mandates that all laborers and mechanics be paid unconditionally and not less often than once a week, and without subsequent deductions, the full amounts due at the time of payments, computed at wage rates not less than those contained in the wage determination issued by the U.S. Department of Labor. Weekly certified payrolls are required to be submitted to the federally funded recipient by the contractor. These requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families.

All.14**Copeland Act (Anti-Kickback Act) (40 U.S.C. 276c)**

The Grantee shall comply with the Copeland Act, which makes it a criminal offense for any person to induce, by any manner whatsoever, any other person employed in the construction, prosecution, completion, or repair of any public building, or work financed in whole or in part by loans or grants from the United States, to give up any part of the compensation to which he or she is entitled under his or her contract of employment. Compensation shall consist of wages and approved fringe benefits.

All.15**Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.)**

The Grantee shall comply with the provisions of the Contract Work Hours and Safety Standards Act. According to this Act, no contract work may involve or require laborers or mechanics to work in excess of 40 hours in a workweek, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours. If the Act is violated, the contractor or subcontractor is liable to any affected employee for unpaid damages as well as to the United States for liquidated damages. These requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families.

All.16**The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. Section 4321 et seq., and 24 CFR Part 58)**

The Grantee shall comply with the provisions of the National Environmental Policy Act of 1969. The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences. Environmental review procedures, including determining and publishing a Finding of Significance or of No Significance for a proposal, are a necessary part of this process. Pursuant to these provisions, the Grantee must also submit environmental certifications to the Department when requesting that funds be

order to minimize any potential harm to the floodplain and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain.

All.22 Coastal Zone Management Act of 1972, As Amended (16 U.S.C. 1451 et seq.)

The Grantee shall comply with the Coastal Zone Management Act of 1972, as amended. The intent of this is to preserve, protect, develop; and where possible, restore or enhance the resources of the nation's coastal zone. Federal agencies cannot approve assistance for proposed projects that are inconsistent with the state's Coastal Zone Management program except upon a finding by the U.S. Secretary of Commerce that such a project is consistent with the purpose of this chapter or necessary in the interests of national security.

All.23 The Endangered Species Act of 1973, As Amended (16 U.S.C. 1531 et seq.)

The Grantee shall comply with the Endangered Species Act of 1973, as amended. The intent of this Act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction of or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the State, to be critical.

All.24 The Reservoir Salvage Act of 1960, As Amended by the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469 et seq.)

Under the Reservoir Salvage Act, the Grantee must comply with provisions for the preservation of historical and archaeological data (including relics and specimens) that might otherwise be irreparably lost or destroyed as a result of any alteration of the terrain caused as a result of any federal construction project or federally licensed activity or program. Whenever any federal agency finds, or is notified in writing by an appropriate historical or archaeological authority, that its activities in connection with any federal construction project or federally licensed project, activity or program may cause irreparable loss or destruction of significant scientific, prehistoric, historical or archaeological data, the federal agency must notify the U.S. Secretary of Interior in writing and provide appropriate information concerning the project or program activity.

All.25 The Safe Drinking Water Act of 1974, As Amended (42 U.S.C. Section 201, 300(f) et seq., and U.S.C. Section 349)

The Grantee must comply with the Safe Drinking Water Act, as amended, which is intended to protect underground sources of water. No commitment for federal financial assistance, according to this Act, shall be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer that is the sole or principal drinking water source for an area.

All.26 The Federal Water Pollution Control Act of 1972, As Amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251 et seq.)

The Grantee must assure compliance with the Water Pollution Control Act, as amended, which provides for the restoration of chemical, physical and biological integrity of the nation's water.

All.27 The Solid Waste Disposal Act, As Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.)

The Grantee must assure compliance with the Solid Waste Disposal Act, as amended. The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources.

All.28 The Fish and Wildlife Coordination Act of 1958, As Amended (16 U.S.C. Section 661 et seq.)

AII.33 Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831b)

The Grantee shall comply with the provisions of Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831b), which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance of any kind.

AII.34 U.S. Office of Management and Budget Circular A-87, Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Native American Tribal Governments

The Grantee shall comply with the guidelines of Federal Circular A-87, which sets forth principles and standards for determining the costs allowable under grants and contracts involving federal funds.

AII.35 Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (24 CFR, Part 85)

The Grantee shall comply with the requirements of 24 CFR, Part 85, or any equivalent procedures and requirements that the state may prescribe. This forms the basis for a number of specific requirements on the financial management and record keeping of CDBG funds. Cash depositories, bonding and insurance, record keeping, program income, property management, procurement, closeout, audit and other requirements.

AII.36 Federal Audit Requirements (OMB Revised Circular A-133)

Grantees expending \$500,000 or more in federal funds from all sources, direct and indirect, are required to have an audit conducted in accordance with the Office of Management and Budget (OMB) Revised Circular A-133.

Grantees required to have an audit must ensure the audit is performed in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards (the Revised Yellow Book) developed by the Comptroller General and the OMB Compliance Supplement.

The Grantee has the responsibility of notifying the State Auditor's Office and requesting an audit. Costs of the audit may be an allowable grant expenditure.

The Grantee shall maintain its records and accounts so as to facilitate the audit requirement and shall ensure that any subrecipients also maintain auditable records.

The Grantee is responsible for any audit exceptions incurred by its own organization or that of its subrecipients.

Responses to any unresolved management findings and disallowed or questioned costs shall be included with the audit report. The Grantee must respond to Department requests for information or corrective action concerning audit issues within 30 days of the date of request. The Department reserves the right to recover from the Grantee all disallowed costs resulting from the audit.

The Grantee must send a copy of the audit report no later than nine (9) months after the end of the Grantee's fiscal year(s) to:

Department of Community Trade and Economic Development
906 Columbia Street SW
PO Box 42525
Olympia WA 98504-2525
ATTN: Audit Review Office

In addition to sending a copy of the audit, the Grantee must include a corrective action plan for any audit findings and a copy of the management letter if one was received.

The Grantee shall include the above audit requirements in any subcontracts.

All.44 Law Against Discrimination, Chapter 49.60 RCW

The Grantee shall comply with the provisions of Chapter 49.60 RCW in all activities relating to this contract.

All.45 Interlocal Cooperation Act, Chapter 39.34 RCW

The Interlocal Cooperation Act establishes as state policy the authority for local governments, including special purpose districts and Native American tribes, to enter into agreements for providing a broad spectrum of cooperative services. Local governments undertaking joint community development projects can use this Act as a means for establishing interlocal agreements.

All.46 Governor's Executive Order 89-10, December 11, 1989: Protection of Wetlands, and Governor's Executive Order 90-04, April 21, 1990: Protection of Wetlands

The Grantee shall ensure that it avoids any activities that would adversely affect wetlands and adequately mitigates unavoidable impacts. For the purposes of this requirement mitigation means: (1) avoiding the impact altogether by not taking certain action or part of an action; (2) minimizing impacts by limiting the degree or magnitude of the action and its implementation, by using appropriate technology, or by taking affirmative steps to avoid or reduce impacts; (3) rectifying the impact by repairing, rehabilitating, or restoring the affected environment; (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action; (5) compensating for the impact by replacing, enhancing, or providing substitute resources or environments; and (6) monitoring the impact and taking appropriate corrective measures.

Mitigation for individual actions may include a combination of the above measures.

Emergency work that is essential to save lives and protect property and public health is exempt from these provisions.

All.47 24 CFR Part 24 Debarment and Suspension (Nonprocurement)

When entering into a covered transaction with another person at the next lower tier, the grantee must verify that the person with whom the grantee intends to do business is not excluded or disqualified.

All.48 Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 et seq. and 7 CFR Part 658)

The Grantee shall comply with the Farmland Protection Policy Act, which discourages Federal activities that would convert farmland to nonagricultural purposes. Check with the USDA Natural Resources Conservation Service (NRCS) or with your city or county planning department to determine if your site is on farmland regulated under the act. Farmland regulated under the Act includes prime farmland, unique farmland and land of statewide or local importance. Farmland subject to FPPA requirements does not have to be currently used for cropland. It can be forestland, pastureland, cropland or other land, but not water or urban built-up land.

All.49 Environmental Justice (Executive Order 12898)

The Grantee shall comply with Executive Order 12898, which directs each Federal agency to make achieving environmental justice part of its mission by "identifying and addressing as appropriate disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations".